

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5117-01
Bill No.: HB 1254
Subject: Agriculture and Animals; Tourism
Type: Original
Date: January 20, 2012

Bill Summary: This proposal establishes the Agritourism Promotion Act which allows for the registration of any person who is engaged in a business which provides agritourism activities in this state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Agritourism Fee Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Revenues and Expenditures net to zero

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Agriculture (AGR)** assumes and unknown fiscal impact. The number of participants, amount of administration required, database management, and fees collected cannot be determined with any certainty. The registration fee may cover the costs of signage placement, maintenance, and any AGR promotion and publication costs.

Officials at the **Department of Natural Resources (DNR)** assumes this proposal allows for any person engaged in the business of providing one or more agritourism activities to register with the Department of Agriculture. Registration fee is \$100 per two-year period.

DNR states the proposal would define agritourism activity as any activity which allows members of the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities, including but not limited to farming activities, ranching activities, or historic, cultural, or natural attractions.

DNR states this proposal would allow any person engaged in the business of providing one or more agritourism activities to register for a two-year period with the Department of Agriculture including a \$100 registration fee. Registration would contain information describing the tourism activity, and the location of such activity.

DNR states the proposed legislation would require every registered agritourism location to post and maintain signage which contains a warning notice regarding liability. Signage defined in this proposal would have a cost of \$50.00 per sign.

DNR states, should the department's **Division of State Parks (DSP)** elect to register each site, a registration fee of \$100 would be required every two years for each participant site. Additionally, at each site where the agritourism activity takes place, signage would be required as defined in this proposal. DSP estimates ten historic sites may elect to participate.

DSP assumed for purposes of this fiscal note that 10 historic sites may elect to participate at a cost of \$100 registration fee per site for a two year period and a one-time cost of the signage estimated at \$50 per sign. These sites include:

- Johnson Shut In's State Park
- Onondaga Cave State Park
- Route 66 State Park
- First State Capitol State Historic Site

ASSUMPTION (Continued)

- Prairie State Park
- Pomme de Terre State Park
- Arrow Rock State Historic Site
- Dr. Edmund A. Babler Memorial State Historic Site
- Van Meter State Park
- Watkins Woolen Mill State Historic Site

DSP assumes that should historic sites elect to register as an registered agritourism operator, the costs associated with this proposal for registration and signage would be minimal.

DSP assumes the following estimated costs: FY 2013 - \$1,500, FY 2014 - \$0, FY 2015 - \$1,000

Oversight assumes this proposal will have an unknown cost to the “Agritourism Fee Fund” for administration, signs, maintenance, promotion and publication of the Agritourism Promotion Act dependent upon the number agritourism businesses that choose to register with AGR.

Oversight assumes AGR can assess a registration fee up to \$100 to cover all costs related to administration, signs, maintenance, promotion, and publication.

Oversight assumes that revenues received by the proposed “Agritourism Fee Fund” will equal costs associated with the Agritourism Promotion Act resulting in a net fiscal impact of zero to the “Agritourism Fee Fund”.

Oversight assumes any costs to DSP to register state historic sites as an agritourism activity location is dependent upon whether they choose to register as an agritourism site.

Oversight assumes any potential costs to DSP are minimal and could be absorbed by DSP. If the number of sites registered for agritourism increases, DSP can request additional appropriation in the future.

Oversight assumes all fees paid to AGR will cover the cost of signs, therefore DSP will not be responsible for the cost of signs.

ASSUMPTION (Continued)

Officials at the **Department of Economic Development - Division of Tourism,, Department of Conservation** and **State Treasurer's Office** each assume there is no fiscal impact from this proposed legislation.

In response to identical legislation from a year ago LR 1659-01, HB 633 (2011), the **Department of Transportation** assumed there was no fiscal impact from this proposed legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
AGRITOURISM FEE FUND			
<u>Revenue</u> - Agritourism Registration Fees	Unknown	Unknown	Unknown
<u>Cost</u> - Dept. of Agriculture			
Administration	(Unknown)	(Unknown)	(Unknown)
Signs	(Unknown)	(Unknown)	(Unknown)
Maintenance/Promotion	(Unknown)	(Unknown)	(Unknown)
<u>Total Cost</u> - AGR	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON AGRITOURISM FEE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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*** Revenues and Expenditures net to zero**

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Direct fiscal impact to small agritourism related businesses could be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill establishes the Agritourism Promotion Act which allows for the registration of any person who is engaged in a business which provides agritourism activities in Missouri. In its main provisions, the bill:

- (1) Defines “agritourism activity” as any activity which allows the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities including, but not limited to, farming and ranching activities or historic, cultural, or natural attractions;
- (2) Defines “inherent risks of a registered agritourism activity” as dangers or conditions which are an integral part of an agritourism activity including the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others;
- (3) Allows any person who is engaged in a business providing an agritourism activity to register with the Director of the Department of Agriculture. The registration must contain a description of the agritourism activity he or she conducts or intends to conduct and the location where the activity will be conducted;
- (4) Specifies that the registration is for a period of two years and a fee of up to \$100 may be imposed on an applicant to cover the actual administrative costs associated with registration and the placement and maintenance of directional signage;
- (5) Requires the department to maintain and make available to the public a list of all registered agritourism operators, the registered agritourism activities conducted by each operator, and the registered agritourism location;
- (6) Requires the department to promote and publicize registered agritourism operators, activities, and locations by promoting and encouraging tourism;
- (7) Requires every registered agritourism operator to post and maintain signage at the agritourism location which contains a specified warning notice that there is no liability for certain injuries or the death of a participant in a registered agritourism activity;
- (8) Specifies that any participant is assuming certain inherent risks when participating in an agritourism activity;
- (9) Specifies that a registered agritourism operator is not liable for an injury to or the death of a participant resulting from the inherent risks of agritourism activities if the warning is posted as required unless the injury to the participant was by willful or wanton conduct or the

FISCAL DESCRIPTION (Continued)

operator failed to make a dangerous condition known to a participant and the condition resulted in an injury;

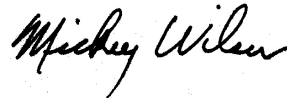
(10) Specifies that the operator has an affirmative defense to liability if the injured person deliberately disregarded conspicuously posted signs, verbal instructions, or other warnings regarding safety measures during the activity or if any equipment, animals, or appliances used by the injured person during the activity were used in a manner or for a purpose other than that for which a reasonable person should have known they were intended; and

(11) Creates the Agritourism Fee Fund consisting of registration fees and moneys appropriated to the fund to be used solely for the placement and maintenance of directional signage and the administration of the provisions of the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Economic Development -
Division of Tourism
State Treasurer's Office
Department of Transportation
Department of Conservation
Department of Natural Resources -
Division of State Parks



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